

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF GAS RATES)	
OF THE UNION LIGHT, HEAT AND)	CASE NO. 8373
POWER COMPANY)	

O R D E R

IT IS ORDERED that Union Light, Heat and Power Company shall file an original and six copies of the following information with the Commission, with a copy to all parties of record, by December 18, 1981. Each copy of the data requested should be placed in a bound volume with each item tabbed. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Careful attention should be given to copied material to insure that it is legible. When an item is needed for both the electric department and the gas department, provide this information on separate schedules.

1. In comparative form, a total company income statement, a statement of changes in financial position, and a balance sheet for the test year and the twelve month period immediately preceding the test year.

2. A trial balance as of the last day of the test year (all income statement accounts should show activity for 12 months) showing account number, account title, and amount. Clearly identify accounts maintained on a total company basis and accounts maintained on a separate basis for each the gas department and the electric departments. Show the balance in each control and all underlying subaccounts per company books.

3. a. The balance in each current asset and each current liability account and subaccount included in the applicant's chart of accounts by months for the test year. Additionally, show total current assets, total current liabilities and the net current position by months, annually, and the 13 month average for the test year. Provide a reconciliation of current assets, current liabilities and net current position provided in response to the above with the current assets and current liabilities as shown on the balance sheet for each month of the test year.

b. A calculation of total company average (thirteen month) and end-of-period debt, preference and preferred stock, and common equity capital for the test year in the format as shown in Format 3b to this request.

c. A calculation of the average (thirteen month) and end-of-period long-term debt composite interest and preferred stock costs for the twelve months of the test year. Supporting details underlying calculations should be provided. The average long-term debt composite interest cost is calculated by dividing the sum of book interest accrued on long-term debt and related

amortization of discount, premium, and issuance cost by average long-term debt as calculated in format 3b, column c, line 15.

4. List each general office account (asset, reserve, and expense accounts) for the gas department covering the 12 months of the test year. If any amounts were allocated show a calculation of the factor used to allocate each amount.

5. The following monthly account balances and a calculation of the average (13 month) account balances for the test year for the total company and the gas department:

- a. Plant in service (Account 101)
- b. Plant purchased or sold (Account 102)
- c. Property held for future use (Account 105)
- d. Construction work in progress (Account 107)
- e. Completed construction not classified (Account 106)
- f. Depreciation reserve (Account 108)
- g. Plant acquisition adjustment (Account 114)
- h. Amortization of utility plant acquisition adjustment (Account 115)
- i. Materials and supplies (include all accounts and subaccounts)
- j. Balance in accounts payable applicable to each account in i above. (If actual is indeterminable, give reasonable estimate)
- k. Unamortized investment credit - Pre-Revenue Act of 1971
- l. Unamortized investment credit - Revenue Act of 1971
- m. Accumulated deferred income taxes
- n. A summary of customer deposits as shown in Format 5n to this request
- o. Computation and development of minimum cash requirements

- p. Balance in accounts payable applicable to amounts included in utility plant in service (If actual is indeterminable, give reasonable estimate)
 - q. Balance in accounts payable applicable to amounts included in plant under construction (If actual is indeterminable, give reasonable estimate)
 - r. Short-term borrowings
 - s. Interest on short-term borrowings (expense)
6. The cash account balances at the beginning of the test year and at the end of each month during the test year for total company.
7. Provide the following information for each item of gas property held for future use at the end of the test year:
- a. Description of property
 - b. Location
 - c. Date purchased
 - d. Cost
 - e. Estimated date to be placed in service
 - f. Brief description of intended use
 - g. Current status of each project
8. Schedules in comparative form showing by months for the test year and the year preceding the test year the total company balance in each gas plant and reserve account or subaccount included in the applicant's chart of accounts as shown in Format 8.
9. Provide the journal entries relating to the purchase of gas utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since the inception of the Company. Also, a schedule showing the calculation of the acquisition adjustment at the date of purchase of

each item of utility plant, the amortization period, and the unamortized balance at the end of the test year.

10. The detailed workpapers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

11. Provide copies of all current labor contracts and agreements and copies of the most recent contracts and agreements previously in effect.

12. Explain in detail the non-recurring nature of revenues attributable to Incremental Gas Pricing as mandated by the Natural Gas Policy Act of 1978.

13. Provide work papers showing calculations for adjustment to gas revenues and expenses for normal temperatures.

14. For the gas department, a schedule showing a comparison of the balance in the revenue accounts for each month of the test year to the same month of the preceding year for each revenue account or subaccount included in the applicant's chart of accounts. Include appropriate footnotes to show the month each rate increase was granted and the month the full increase was recorded in the accounts. See Format 8.

15. a. For the gas department, a schedule showing a comparison of the balance in the operating expense accounts for each month of the test year to the same month of the preceding year for each account or subaccount included in the applicant's chart of accounts. See Format 8.

b. For the gas department, a schedule in comparative form showing the operating expense account balance for the test year and each of the 5 years preceding the test year for each account or subaccounts included in the applicant's annual report. (Gas - FERC Form No. 2, pages 320-325). Show the percentage of increase of each year over the prior year.

c. A schedule of total company salaries and wages for the test year and each of the 5 calendar years preceding the test year in the format as shown in Format 15c to this request.

d. A schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test year and the 5 preceding years.

16. The following tax data for the test year for the total company and the gas department.

a. Income taxes

- (1) Federal operating income taxes deferred - accelerated tax depreciation
- (2) Federal operating income taxes deferred - other (explain)
- (3) Federal income taxes - operating
- (4) Income credits resulting from prior deferrals of Federal income taxes

- (5) Investment tax credit net
 - (i) Investment credit realized
 - (ii) Investment credit amortized -
Pre-Revenue Act of 1971
 - (iii) Investment credit amortized -
Revenue Act of 1971
- (6) Provide the information in 16a (1) through
16a (4) for state income taxes
- (7) Reconciliation of book to taxable income as
shown in Format 16a (7) and a calculation of
the book Federal and State income tax expense
for the test year using book taxable income
as the starting point
- (8) A copy of Federal and state income tax
returns for the taxable year ended during
the test year including supporting schedules
- (9) Schedule of franchise fees paid to cities,
towns or municipalities during the test year
including the basis of these fees

b. An analysis of other operating taxes in the format
as shown in attached Format 16b.

17. A schedule of gas department net income per MCF sold
per company books for the test year and the 5 calendar years
preceding the test year. This data should be provided as shown
in Format 17 attached.

18. The comparative operating statistics for the gas depart-
ment as shown in Format 18 attached.

19. A schedule of average gas plant in service per MCF
sold by account per company books for the test year and the 5
calendar years preceding the test year. This data should be
provided in the format as shown in Format 19 to this request.

20. A statement of gas plant in service per company books for the test year. This data should be presented in the format as shown in Format 20 to this request.

21. For the gas department, provide the following information. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

- a. A detailed analysis of all charges booked during the test period for advertising expenditures. This analysis should include a complete breakdown of Account 913 - Advertising Expenses, as shown in Format 21a attached and further should show any other advertising expenditures included in any other expense accounts. The analysis should be specific as to the purpose of the expenditure and the expected benefit to be derived.
- b. An analysis of Account 930 - Miscellaneous General Expenses, for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 21b and further provide all detailed working papers supporting this analysis. As a minimum, the work papers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 21b attached.
- c. An analysis of Account 426 - Other Income Deductions, for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 21c, and further provide all detailed working papers supporting this analysis. As a minimum the work papers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 21c attached.

22. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 22, and all working papers supporting the analysis. At minimum, the working papers should show the payee, dollar amount, reference

(i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the service provided.

23. A detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than Account 426. This analysis should indicate the amount of the expenditure, the recipient of the contribution and the specific account charged. If amounts are allocated to the electric department and the gas department, show a calculation of the factor used to allocate each amount.

24. a. For the gas department, provide a statement describing the applicant's lobbying activities and a schedule showing the name of the individual, his salary, his organizations or trade associations involved in and all company-paid or reimbursed expenses or allowances and the account charged for all personnel for whom a principal function is that of lobbying, on the local, state, or national level. If any amounts are allocated, show a calculation of the factor used to allocate each amount.

b. A schedule showing the test year and the year preceding the test year with each year shown separately the following information regarding the applicant's investments in subsidiaries and joint ventures:

- (1) Name of subsidiary or joint venture
- (2) Date of initial investment
- (3) Amount and type of investment made for each of the 2 years included in this report.

- (4) Balance sheet and income statement for the test year and the year preceding the test year. Where only internal statements are prepared, furnish copies of these.
- (5) Show on a separate schedule all dividends or income of any type received by applicant from its subsidiaries or joint ventures for each of the 2 year report periods and indicate how this income is reflected in the reports filed with the Commission and the stockholder reports.
- (6) Name of officers of each of the subsidiaries or joint ventures, officer's annual compensation, and portion of compensation charged to the subsidiary or joint venture. Also, indicate the position each officer holds with the applicant and the compensation received from the applicant.

25. An analysis of purchased gas costs by month during the test year. These costs should be separated into demand and energy costs billed by each supplier.

26. An analysis of transactions by month to prepayments relative to purchased gas during the test year. A narrative should be given for the accounting procedures with respect to these transactions.

27. Provide the following information with regard to uncollectible accounts for the test year and 5 preceding calendar years (taxable year acceptable) for total company and the gas department.

- a. Reserve account balance at the beginning of the year
- b. Charges to reserve account (accounts charged off)
- c. Credits to reserve account
- d. Current year provision
- e. Reserve account balance at the end of the year
- f. Percent of provision to total revenue.

28. Provide a detailed analysis of the retained earnings account for the test period and the 12-month period immediately preceding the test period.

29. a. A listing of non-utility property and property taxes and account where amounts are recorded.

b. A schedule for all non-utility property giving a description, the date purchased and the cost.

30. Rates of return in Format 30 attached.

31. Employee data in Format 31 attached.

32. The studies for the test year including all applicable work papers which are the basis of common plant allocations and expenses account allocations.

33. a. Capital structure at end of each calendar year for the previous 10 years.

b. Capital structure at end of latest available quarter.

c. Capital structure at end of test period.

Item 33a, 33b and 33c should include the following information:

- (1) Class of capital
- (2) Amount of each class (\$)
- (3) Ratio of each class to total
- (4) Total capitalization (\$)

34. a. List all outstanding issues of long-term debt as of the end of the latest calendar year and at the end of the test period. Item 34a should include the following information for each outstanding issue of long-term debt;

- (1) Date of maturity
- (2) Date of issue
- (3) Amount outstanding (\$)
- (4) Coupon interest rate (%)
- (5) Cost rate at issue (%)
- (6) Cost rate to maturity (%)
- (7) Bond rating at time of issue (Moody's Standard & Poor's, etc.)
- (8) Type of obligation

b. Provide calculations of embedded cost of long-term debt at the end of each calendar year for the previous 10 years. Also provide this calculation for the end of the test period.

35. a. List all outstanding issues of preferred stock as of end of the latest calendar year and at the end of the historical test period. Item 35a should include the following information for each outstanding issue of preferred stock:

- (1) Date of issue
- (2) Amount sold (\$)
- (3) Amount outstanding (\$)
- (4) Dividend rate
- (5) Convertibility features if any
- (6) Cost rate at issue (%)

b. Provide calculations of embedded cost calculations of preferred stock at the end of each of the previous 10 years. Also, provide this calculation for the test period.

36. a. Provide a listing of all issues of common stock in the primary market during the most recent 10-year period.

For Item a provide the following information:

- (1) Date of issue
- (2) Number of shares issued
- (3) Date of announcement and registration
- (4) Price per share (net to company) (\$)
- (5) Book value per share at time of issue (\$)
- (6) Selling expenses as % of gross issue amount
- (7) Net proceeds to company
- (8) Price per share to the public

b. Provide the following information on a quarterly and yearly basis for the most recent 10-year period available through the latest available quarter. (Items (5) through (7) refer to yearly figures only.)

- (1) Average number of shares of common outstanding
- (2) Book value at end of quarter (year)
- (3) Quarterly (yearly) earnings per share
- (4) Declared quarterly (yearly) dividend rate per share
- (5) Rate of return on average common equity
- (6) Rate of return on year-end common equity

c. Provide monthly market price figures for common stock for each month during the most recent 10-year period. Include the following:

- (1) Monthly high price
- (2) Monthly low price

(3) Monthly closing price

(4) Note all stock splits by date and type and adjust prices accordingly.

Items 33, 34, 35 and 36 should be provided for the parent and for the subsidiary where applicable and not previously included in the record.

37. Provide figures showing computation of fixed charge coverage ratio (SEC Method, PRETAX, including Short-Term Debt payments) at the end of each of the 10 most recent prior years.

38. In comparative form, a statement for the gas department showing rates, charges, terms and conditions, and Service Rules and Regulations presently in effect and those which the applicant seeks to place into effect as well as percentage increases (decreases) for each rate or charge.

39. A listing of present or proposed research efforts dealing with the pricing of gas and the current status of such efforts.

40. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and the preceding 5 calendar years. Include the percentage annual increase and the effective date of each increase.

41. Provide an analysis of the Company's expenses for research and development activities for the test year and the 5 preceding calendar years. For the test year, include the following details:

a. Basis of fees paid to research organizations and the Company's portion of the total revenue of each organization. Where the contribution is monthly, provide the current rate and the effective date.

b. Details of the research activities conducted by each organization.

c. Details of services and other benefits provided to the company by each organization during the test year and the calendar year 1980.

d. Total expenditures of each organization during 1980 including the basic nature of costs incurred by the organization.

42. Did any organization listed in Item 41 make any direct or indirect payments for political purposes or lobbying activities during the test year or any of the 5 preceding calendar years?

If so, provide the following:

- a. Amount of payment
- b. Person or organization receiving payments
- c. Portion of the Company's contribution allocated to these payments. (Provide calculations in support of this determination.)

43. Did any organization listed in Item 41 incur expenses for advertising within the definition provided in 807 KAR 5:016E?

If so provide the following:

- a. A breakdown of the total cost into these categories: sales or promotional, institutional, conservation and other.
- b. Forms of media used.
- c. Portion of the Company's contribution allocated to these costs. (Provide calculations in support of this determination.)
- d. Details of expected benefits to the Company.

44. What is the date of the last depreciation study prepared by or for your company?

45. What was the interval between the last depreciation study and the next planned study?

46. Were the latest depreciation study findings and the recommendations:

- a. adopted completely?
- b. adopted with minor exceptions?
- c. unaccepted?
- d. if not fully adopted, state the recommendations not adopted and furnish reasons.

47. When were the latest depreciation study findings and recommendations implemented?

48. For purpose of booking depreciation expense to what depreciable plant base does the company apply accrual rates?

- a. Average of beginning and end-of-year estimated balances.
- b. Average of January 1 and July 1 balances.
- c. End-of-month plant balances.
- d. Other. Explain.

49. If averages of beginning and end-of-year estimated balances are used, are estimated additions revised when actual amounts are known?

50. How is estimated net salvage treated?

- a. The depreciable plant base is increased or decreased as appropriate.
- b. The accrual rate is adjusted to reflect the net salvage percentage of plant original cost.

51. What method is used to allocate total depreciation requirements to accounting periods falling within the asset life span?

- a. Straight-line method
- b. Compound interest or sinking fund method
- c. Unit production
- d. Combination of methods. Explain.

52. How are mass property units priced for retirement purposes?

- a. Actual cost
- b. First in - first out
- c. Moving average cost
- d. Yearly average cost
- e. Average costs for each year or bands of years (state band of years used).
- f. Other. Explain.

53. Are company estimates of service life and net salvage determined:

a. For each unit of property (unit summation for plant groupings, i.e., an entire transmissions line) or by plant location (i.e., a specific compressor station or structure)?

Explain.

- b. For each primary plant account or subaccount?
- c. For plant functional classification only?
- d. For all system depreciable plant (i.e., a single composite estimate)?
- e. Other? Explain.

54. Are accruals based on estimates of:
- a. Total service period of the asset(s)?
 - b. Average service life for a plant group?
 - c. Average remaining life for a plant group?
 - d. Other? Specify?
55. Are accrual rates based on estimates of:
- a. Historical gross salvage?
 - b. Future gross salvage?
 - c. Average of historical and future gross salvage?
 - d. Historical cost of removal?
 - e. Future cost of removal?
 - f. Average of historical and future of cost removal?

Done at Frankfort, Kentucky, this 30th day of November, 1981.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary

Commonwealth of Kentucky
Union Light, Heat and Power Company
Case No. 8373

CALCULATION OF AVERAGE AND END-OF-PERIOD CAPITAL

12 Months Ended June 30, 1981

Line No.	Item (a)	Total Capital ^{1/} (b)	Long-Term Debt (c)	Preferred Stock ^{2/} (d)	Common Stock ^{2/} (e)	Other Capital (f)	Retained Earnings (g)	Total Company Equity (h)
1.	Balance beginning of test year							
2.	1st Month							
3.	2nd Month							
4.	3rd Month							
5.	4th Month							
6.	5th Month							
7.	6th Month							
8.	7th Month							
9.	8th Month							
10.	9th Month							
11.	10th Month							
12.	11th Month							
13.	12th Month							
14.	Total (L1 through L13)							
15.	Average balance (L14 + 13)							
16.	Average capitalization ratios							
17.	End-of-period capitalization ratios							

^{1/} If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded.

^{2/} Include premium on class of stock.

Union Light, Heat & Power Company

Case Number 8373

SUMMARY OF CUSTOMER DEPOSITS

12 Months Ended June 30, 1981

<u>Line No.</u>	<u>Month (a)</u>	<u>Receipts (b)</u>	<u>Refunds (c)</u>	<u>Balance (d)</u>
1.	Balance beginning of test year			
2.	1st Month			
3.	2nd Month			
4.	3rd Month			
5.	4th Month			
6.	5th Month			
7.	6th Month			
8.	7th Month			
9.	8th Month			
10.	9th Month			
11.	10th Month			
12.	11th Month			
13.	12th Month			
14.	Total (L1 through L13)			
15.	Average balance (L14 \div 13)			
16.	Amount of deposits received during test period			
17.	Amount of deposits refunded during test period			
18.	Number of deposits on hand end of test year			
19.	Average amount of deposit (L15, Column (d) \div L18)			
20.	Interest paid during test period			
21.	Interest accrued during test period			
22.				

COMPARISON OF TEST YEAR ACCOUNT BALANCES WITH THOSE OF THE PRECEDING YEAR

[illegible]

[illegible]

12 Months Ended												
Calendar Years Prior to Test Year												Test Year
5th		4th		3rd		2nd		1st				
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	

9. Administrative and general expenses (continued):

- (g) Employee pensions and benefits
- (h) Franchise requirements
- (i) Regulatory commission expenses
- (j) Duplicate charges-cr.
- (k) Miscellaneous general expense
- (l) Rents
- (m) Maintenance of general plant

10. Total administrative and general expenses l9(a) through l9(m)

1. Total salaries and wages charged expense (l2 through l8 + l10)
2. Wages capitalized
3. Total salaries and wages
4. Ratio of salaries and wages charged expense to total wages (l11 ÷ l13)
3. Total salaries and wages
4. Ratio of salaries and wages charged expense to total wages (l11 ÷ l13)
- Ratio of salaries and wages capitalized to total wages (l12 ÷ l13)

OTE: Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

Commonwealth of Kentucky
Union Light, Heat & Power Company
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RECONCILIATION OF BOOK NET INCOME AND FEDERAL TAXABLE INCOME

12 Months Ended June 30, 1981

Line No.	Item (a)	Total		Operating	
		Total Company (b)	Non-operating Company (c)	Electric Department (d)	Gas Department (e)

1. Net income per books
2. Add income taxes
3. A. Federal income tax - Current
4. B. Federal income tax deferred-
depreciation
5. C. Federal income tax deferred-
Other
6. D. Investment tax credit adjustment
7. E. Federal income taxes charged to
other income and deductions
8. F. State income taxes
9. G. State income taxes charged to
other income and deductions
10. Total
11. Flow through items:
12. Add (itemize)
13. Deduct (itemize)
14. Book taxable income
15. Difference between book taxable income
and taxable income per tax return:
16. Add (itemize)
17. Deduct (itemize)
18. Taxable income per return

Notes: (1) Provide a calculation of the amounts shown on Lines 3 through 7 above.

(2) Provide work papers showing the calculation of straight-line tax depreciation and accelerated tax.
depreciation and all other work papers in support of the calculation of Federal Income tax expense.

(3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated
above.

Union Light, Heat & Power Company
Commonwealth of Kentucky
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RECONCILIATION OF BOOK NET INCOME AND STATE TAXABLE INCOME

12 Months Ended June 30, 1981

Line No.	Item (a)	Total Company (b)	Total Company Non-operating (c)	Operating Electric Department (d)	Gas Department (e)
1.	Net income per books				
2.	Add income taxes				
3.	A. Federal income tax - Current				
4.	B. Federal income tax deferred- depreciation				
5.	C. Federal income tax deferred- Other				
6.	D. Investment tax credit adjustment				
7.	E. Federal income taxes charged to other income and deductions				
8.	F. State income taxes				
9.	G. State income taxes charged to other income and deductions				
10.	Total				
11.	Flow through items:				
12.	Add (itemize)				
13.	Deduct (itemize)				
14.	Book taxable income				
15.	Difference between book taxable income and taxable income per tax return:				
16.	Add (itemize)				
17.	Deduct (itemize)				
18.	Taxable income per return				

- (1) Provide a calculation of the amounts shown on lines 8 through 9 above.
- (2) Provide work papers showing the calculation of straight-line tax depreciation and accelerated tax depreciation.
- (3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

Union Light, Heat & Power Company
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ANALYSIS OF OTHER OPERATING TAXES - GAS

12 months Ended June 30, 1981

(000's)

Line No.	Item (a)	Charged Expense (a)	Charged to Construction (c)	Charged to Other Accounts (d)	Amount Accrued (e)	Amount Paid (f)
1.	Gas Department					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem					
	(d) Payroll (Employers Portion)					
	(e) Other taxes					
2.	Total Gas Department (L 1(a) through L 1 (e))					
3.	Electric Department					
	Total per books (L 2 and L 3)					
<u>1/</u>	Explain items in this column.					

Union Light, Heat & Power Company

Commonwealth of Kentucky

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NET INCOME PER MCF SOLD
(TOTAL COMPANY)

		12 Months Ended					Test Year (g)
		Calendar Years					
		Prior to Test Year					
Line No.	Item (a)	5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	
1.	<u>Operating Income</u>						
2.	Operating Revenues						
3.	<u>Operating Expense</u>						
4.	Operating Expenses						
5.	Maintenance Expenses						
6.	Depreciation Expense						
7.	Amortization and Depletion of Utility Plant						
3.	Amortization of Utility Plant						
	Acquisition Adjustment						
).	Amortization of Property Losses						
).	Amortization of Conversion Expenses						
.	Taxes Other Than Income Taxes						
.	Income Taxes - Federal						
.	Income Taxes - State						
.	Income Taxes - Other						
.	Provision for Deferred Income Taxes						
.	Investment Tax Credit						
.	Amortization of Investment Tax Credit						
.	Total Operating Expenses						
.	Net Operating Income						
.	<u>Other Income - Net</u>						
	Mdse. Job and Contract Works						
	LP Gas Operating						
	Nonoperating Rental Income						
	Interest and Dividend Income						
	Allowance for Funds Used During						
	Construction						
	Miscellaneous Nonoperating Income						
	Total Other Income						
	Total Income						
	Miscellaneous Income Deductions						
	Income Before Interest Charges						
	<u>Interest Charges</u>						
	Interest on Long-Term Debt						
	Amortization of Debt Discount and Expense						
	Amortization of Premium on Debt-Credit						
	Other Interest Expense						
	Total Interest Charges						
	Net Income						
	Net Sold						

Union Light, Heat & Power Company
Commonwealth of Kentucky

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For the Calendar Years 1976 through 1980
and the 12-Month Period Ended June 30, 1981
(Total Company)

Line No.	Item (a)	12 Months Ended						
		Calendar Years Prior to Test Year						Test Year
		5th	4th	3rd	2nd	1st		
		%	%	%	%	%	%	%
		Cost Inc.	Cost Inc.	Cost Inc.	Cost Inc.	Cost Inc.	Cost Inc.	Cost Inc.
		(b)	(c)	(d)	(e)	(f)	(g)	(h)
		(i)	(j)	(k)	(l)	(m)	(n)	(o)
1.	Cost Per MCF of Purchased Gas							
2.	Cost of Propane Gas Per MCF Equivalent for Peak Shaving							
3.	Cost Per MCF of Gas Sold							
4.	Maintenance Cost Per Transmission Mile							
5.	Maintenance Cost Per Distribution Mile							
6.	Sales Promotion Expense Per Customer							
7.	Administration and General Expense Per Customer							
8.	Wages and Salaries - Charged Expense: Per Average Employee							
9.	Depreciation Expense: Per \$100 of Average Gross Depreciable Plant in Service							
10.	Rents: Per \$100 of Average Gross Plant in Service							
11.	Property Taxes: Per \$100 of Average Net Plant In Service							
12.	Payroll Taxes: Per Average Employee Whose Salary is Charged to Expense							
13.	Interest Expense: Per \$100 of Average Debt Outstanding							
14.	Per \$100 of Average Plant Investment							
15.	Per MCF Sold							

Union Light, Heat & Power Company

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AVERAGE GAS PLANT IN SERVICE BY ACCOUNT PER MCF

For the Calendar Years 1976 Through 1980 and the 12 Month Ended June 30, 1981

(Total Company)

Account Number	Title of Accounts (a)	12 Months Ended					
		Calendar 5th (b)	Years 4th (c)	Prior 3rd (d)	to Test 2nd (e)	Year 1st (f)	Test Year (g)
	<u>Intangible Plant</u>						
301	Organization						
302	Franchises and Consents						
303	Miscellaneous Intangible Plant						
	Total Intangible Plant						
	<u>Production Plant</u>						
	<u>Natural Gas Production and Gathering Plant</u>						
325.1	Producing Lands						
325.2	Producing Leaseholds						
325.3	Gas Rights						
325.4	Rights-of-Way						
325.5	Other Land and Land Rights						
326	Gas Well Structures						
327	Field Compressor Station Structures						
328	Field Meas. and Reg. Sta. Structures						
329	Other Structures						
330	Producing Gas Wells-Well Construction						
331	Producing Gas Wells-Well Equipment						
332	Field Lines						
333	Field Compressor Station Equipment						
334	Field Meas. and Reg. Sta. Equipment						
335	Drilling and Cleaning Equipment						
	Purification Equipment						
	Other Equipment						
	Unsuccessful Exploration and Devel. Costs						
	Total Production and Gathering Plant						

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AVERAGE GAS PLANT IN SERVICE BY ACCOUNT PER MCF

For the Calendar Years 1976 Through 1980 and the 12 Month Ended June 30, 1981

(Total Company)

Account Number	Title of Accounts (a)	12 Months Ended					
		Calendar Years Prior to Test Year	5th	4th	3rd	2nd	1st
		(b)	(c)	(d)	(e)	(f)	(g)
	<u>Products Extraction Plant</u>						
340	Land and Land Rights						
341	Structures and Improvements						
342	Extraction and Refining Equipment						
343	Pipe Lines						
344	Extracted Products Storage Equipment						
345	Compressor Equipment						
346	Gas Meas. and Reg. Equipment						
347	Other Equipment						
	Total Products Extraction Plant						
	Total Nat. Gas Production Plant						
	Mfd. Gas Prod. Plant (Submit Suppl. Statement)						
*	Total Production Plant						
	<u>Natural Gas Storage and Processing Plant</u>						
	<u>Underground Storage Plant</u>						
	Land						
350.1	Rights-of-Way						
350.2	Structures and Improvements						
351	Wells						
352	Storage Leasable and Rights						
352.1	Reservoirs						
352.2	Non-Recoverable Natural Gas						
352.3	Lines						
353	Compressor Station Equipment						
356	Measuring and Reg. Equipment						
357	Purification Equipment						
	Other Equipment						
	Total Underground Storage Plant						

Union Light, Heat & Power Company

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AVERAGE GAS PLANT IN SERVICE BY ACCOUNT PER MCF

For the Calendar Years 1976 Through 1980 and the 12 Month Ended June 30, 1981

(Total Company)

Account Number	Title of Accounts (a)	12 Months Ended						
		Calendar Years Prior to Test Year						Test Year
		5th	4th	3rd	2nd	1st		
		(b)	(c)	(d)	(e)	(f)		(g)
360	<u>Other Storage Plant</u>							
361	Land and Land Rights							
362	Structures and Improvements							
363	Gas Holders							
363.1	Purification Equipment							
363.2	Liquefaction Equipment							
363.3	Vaporizing Equipment							
363.4	Compressor Equipment							
363.5	Meas. and Reg. Equipment							
	Other Equipment							
	Total Other Storage Plant							
	<u>Base Load Liquefied Natural Gas, Terminating and Processing Plant</u>							
364.1	Land and Land Rights							
364.2	Structures and Improvements							
364.3	LNG Processing Terminal Equipment							
364.4	LNG Transportation Equipment							
364.5	Measuring and Regulating Equipment							
364.6	Compressor Station Equipment							
364.7	Communications Equipment							
364.8	Other Equipment							
	Total Base Load Liquefied Natural Gas, Terminating, and Processing Plant							
	Total Nat. Gas Storage and Proc. Plant							
365.1	<u>Transmission Plant</u>							
365.2	Land and Land Rights							
366	Rights-of-Way							
367	Structures and Improvements							
	Mains							

Union Light, Heat & Power Company

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AVERAGE GAS PLANT IN SERVICE BY ACCOUNT PER MCF

For the Calendar Years 1976 Through 1980 and the 12 Month Ended June 30, 1981

(Total Company)

Account Number	Title of Accounts (a)	12 Months Ended						Test Year (g)
		Calendar Years Prior to Test Year					Test Year (g)	
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)		
368	Compressor Station Equipment							
369	Measuring and Reg. Sta. Equipment							
370	Communication Equipment							
371	Other Equipment							
	Total Transmission Plant							
	<u>Distribution Plant</u>							
374	Land and Land Rights							
375	Structures and Improvements							
376	Mains							
377	Compressor Station Equipment							
378	Meas. and Reg. Sta. Equip.-General							
379	Meas. and Reg. Sta. Equip.-City Gate							
380	Services							
381	Meters							
382	Meter Installations							
383	House Regulators							
384	House Reg. Installations							
385	Industrial Meas. and Reg. Sta. Equipment							
386	Other Prop. on Customer's Premises							
387	Other Equipment							
	Total Distribution Plant							
	<u>General Plant</u>							
389	Land and Land Rights							
390	Structures and Improvements							
	Office Furniture and Equipment							
	Transportation Equipment							
	Stores Equipment							
393	Tools, Shop and Garage Equipment							
394								

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AVERAGE GAS PLANT IN SERVICE BY ACCOUNT PER MCF

For the Calendar Years 1976 Through 1980 and the 12 Month Ended June 30, 1981

(Total Company)

Account Number	Title of Accounts (a)	12 Months Ended						
		Calendar Years Prior to Test Year						Test Year (g)
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)		
395	Laboratory Equipment							
396	Power Operated Equipment							
397	Communication Equipment							
398	Miscellaneous Equipment							
	Subtotal							
399	Other Tangible Property							
	Total General Plant							
	Total (Accounts 101 and 106)							
102	Gas Plant Purchased							
102	Gas Plant Sold							
103	Experimental Gas Plant Unclassified							
	Total Gas Plant In Service							

Union Light, Heat & Power Company

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STATEMENT OF GAS PLANT IN SERVICE

12 Months Ended June 30, 1981

(Total Company)

Account Number	Title of Accounts (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers (e)	Ending Balance (f)
301	<u>Intangible Plant</u>					
302	<u>Organization</u>					
	Franchises and Consents					
303	Miscellaneous Intangible Plant					
	Total Intangible Plant					
	<u>Production Plant</u>					
	<u> Natural Gas Production and Gathering Plant</u>					
325.1	Producing Lands					
325.2	Producing leaseholds					
325.3	Gas Rights					
325.4	Rights-of-Way					
325.5	Other Land and Land Rights					
326	Gas Well Structures					
327	Field Compressor Station Structures					
328	Field Meas. and Reg. Sta. Structures					
329	Other Structures					
330	Producing Gas Wells-Well Construction					
331	Producing Gas Wells-Well Equipment					
332	Field Lines					
333	Field Compressor Station Equipment					
334	Field Meas. and Reg. Sta. Equipment					
335	Drilling and Cleaning Equipment					
336	Purification Equipment					
337	Other Equipment					
	Unsuccessful Exploration and Devel. Costs					
	Total Production and Gathering Plant					

Union Light, Heat & Power Company
Commonwealth of Kentucky
Case No. 8373

STATEMENT OF GAS PLANT IN SERVICE

12 Months Ended June 30, 1981

(Total Company)

Account Number	Title of Accounts (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers (e)	Ending Balance (f)
	<u>Products Extraction Plant</u>					
340	Land and Land Rights					
341	Structures and Improvements					
342	Extraction and Refining Equipment					
343	Pipe Lines					
344	Extracted Products Storage Equipment					
345	Compressor Equipment					
346	Gas Meas. and Reg. Equipment					
347	Other Equipment					
	Total Products Extraction Plant					
	Total Nat. Gas Production Plant					
	Mfd. Gas Prod. Plant (Submit Suppl. Statement)					
*	<u>Total Production Plant</u>					
	<u>Natural Gas Storage and Processing Plant</u>					
	<u>Underground Storage Plant</u>					
	Land					
350.1	Rights-of-Way					
350.2	Structures and Improvements					
351	Wells					
352	Storage Leaseholds and Rights					
352.1	Reservoirs					
352.2	Non-Recoverable Natural Gas					
352.3	Lines					
353	Compressor Station Equipment					
354	Measuring and Reg. Equipment					
	Purification Equipment					
	Other Equipment					
	Total Underground Storage Plant					

Union Light, Heat & Power Company

Commonwealth of Kentucky

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STATEMENT OF GAS PLANT IN SERVICE

12 Months Ended June 30, 1981

(Total Company)

Account Number	Title of Accounts (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers (e)	Ending Balance (f)
360	Other Storage Plant					
361	Land and Land Rights					
362	Structures and Improvements					
362	Gas Holders					
363	Purification Equipment					
363.1	Liquefaction Equipment					
363.2	Vaporizing Equipment					
363.3	Compressor Equipment					
363.4	Meas. and Reg. Equipment					
363.5	Other Equipment					
	Total Other Storage Plant					
	Base Load Liquefied Natural Gas, Terminating and Processing Plant					
364.1	Land and Land Rights					
364.2	Structures and Improvements					
364.3	LNG Processing Terminal Equipment					
364.4	LNG Transportation Equipment					
364.5	Measuring and Regulating Equipment					
364.6	Compressor Station Equipment					
364.7	Communications Equipment					
364.8	Other Equipment					
	Total Base Load Liquefied Natural Gas, Terminating, and Processing Plant					
	Total Nat. Gas Storage and Proc. Plant					
	Transmission Plant					
1	Land and Land Rights					
2	Rights-of-Way					
366	Structures and Improvements					
367	Mains					

Union Light, Heat & Power Company

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STATEMENT OF GAS PLANT IN SERVICE

12 Months Ended June 30, 1981

(Total Company)

<u>Account Number</u>	<u>Title of Accounts (a)</u>	<u>Beginning Balance (b)</u>	<u>Additions (c)</u>	<u>Retirements (d)</u>	<u>Transfers (e)</u>	<u>Ending Balance (f)</u>
368	Compressor Station Equipment					
369	Measuring and Reg. Sta. Equipment					
370	Communication Equipment					
371	Other Equipment					
	Total Transmission Plant					
	<u>Distribution Plant</u>					
374	Land and Land Rights					
375	Structures and Improvements					
376	Mains					
377	Compressor Station Equipment					
378	Meas. and Reg. Sta. Equip.-General					
379	Meas. and Reg. Sta. Equip.-City Gate					
380	Services					
381	Meters					
382	Meter Installations					
383	House Regulators					
384	House Reg. Installations					
385	Industrial Meas. and Reg. Sta. Equipment					
386	Other Prop. on Customer's Premises					
387	Other Equipment					
	Total Distribution Plant					
	<u>General Plant</u>					
189	Land and Land Rights					
190	Structures and Improvements					
	Office Furniture and Equipment					
	Transportation Equipment					
	Stores Equipment					
94	Tools, Shop and Garage Equipment					

Union Light, Heat & Power Company
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STATEMENT OF GAS PLANT IN SERVICE

12 Months Ended June 30, 1981

(Total Company)

Account Number	Title of Accounts (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers (e)	Ending Balance (f)
395	Laboratory Equipment					
396	Power Operated Equipment					
397	Communication Equipment					
398	Miscellaneous Equipment					
	Subtotal					
399	Other Tangible Property					
	Total General Plant					
	Total (Accounts 101 and 106)					
102	Gas Plant Purchased					
102	Gas Plant Sold					
103	Experimental Gas Plant Unclassified					
	Total Gas Plant In Service					

Union Light, Heat & Power Company

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ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended June 30, 1981

(Total Company)

Line No.	Item	Sales or Promotional Advertising (a)	Institutional Advertising (c)	Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (g)
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total						
8.	Amount Assigned to Kentucky Retail						

Union Light, Heat & Power Company

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ACCOUNT 930 - MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended June 30, 1981

(Total Company)

(000's)

<u>Line No.</u>	<u>Item (a)</u>	<u>Amount (b)</u>
1.	Industry Association Dues	
2.	Stockholder and Debt Servicing Expenses	
3.	Institutional Advertising	
4.	Conservation Advertising	
5.	Rate Department Load Studies	
6.	Water, and Other Testing and Research	
7.	Directors' Fees and Expenses	
8.	Dues and Subscriptions	
9.	Miscellaneous	
10.	Total	
11.	Amount Assigned to Ky. Retail	

Union Light, Heat & Power Company

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ACCOUNT 426 - MISCELLANEOUS INCOME DEDUCTIONS

For the 12 Months Ended June 30, 1981

(Total Company)

(000's)

<u>Line No.</u>	<u>Item (a)</u>	<u>Amount (b)</u>
1.	Donations	
2.	Civic Activities	
3.	Political Activities	
4.	Other	
5.	Total	
6.	Amount Assigned to Ky. Retail	

Union Light, Heat & Power Company

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Professional Service Expenses

For the Twelve Months Ended June 30, 1981

<u>Line</u> <u>No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				

Union Light, Heat & Power Company

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AVERAGE RATES OF RETURN

For the Calendar Years 1976 Through 1980 and the 12 Month Ended June 30, 1981

<u>Line No.</u>	<u>Calendar Years Prior to Test Year</u> (a)	<u>Total Company</u> (b)	<u>Ky. Retail</u> (c)	<u>Other Retail Jurisdictions</u> (d)	<u>FERC Wholesale</u> (e)
1.	Original Cost Net Investment:				
2.	5th Year				
3.	4th Year				
4.	3rd Year				
5.	2nd Year				
6.	1st Year				
7.	Test Year				
8.	Original Cost Common Equity:				
9.	5th Year				
10.	4th Year				
11.	3rd Year				
12.	2nd Year				
13.	1st Year				
14.	Test Year				

NOTE: Provide work papers in support of the above calculations.

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES

PER EMPLOYEE

Calendar Years Prior to Test Year		Production		Natural Gas Storage Terminals and Processing		Transmission		Distribution		Customer Accounts					
(A)	No. (B)	Hrs. (C)	Wages (D)	No. (E)	Hrs. (F)	Wages (G)	No. (H)	Hrs. (I)	Wages (J)	No. (K)	Hrs. (L)	Wages (M)	No. (N)	Hrs. (O)	Wages (P)
Year															
% Change															
4th Year															
% Change															
3rd Year															
% Change															
2nd Year															
% Change															
1st Year															
% Change															
Test Year															

NOTE:

- (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.
- (2) Show percent increase (decrease) of each year over the prior year on lines designated above "%Change."
- (3) Employees, weekly hours per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES
PER EMPLOYEE (Continued)

Calendar Years Prior to Test Year		Customer Service and Information			Sales			Administrative and General			Construction			Total		
(A)		No. (Q)	Hrs. (R)	Wages (S)	No. (T)	Hrs. (U)	Wages (V)	No. (W)	Hrs. (X)	Wages (Y)	No. (Z)	Hrs. (AA)	Wages (BB)	No. (CC)	Hrs. (DD)	Wages (EE)
Year																
% Change																
4th Year																
% Change																
3rd Year																
% Change																
2nd Year																
% Change																
1st Year																
% Change																
Test Year																
% Change																

NOTE: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.
(2) Show percent increase (decrease) of each year over the prior year on lines designated above "% Change."
(3) Employees, weekly hours per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.